



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

ACT/037/007

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

September 13, 1982

Mr. Richard Blubaugh
Atlas Minerals
P.O. Box 1027
Moab, UT 84532

RE: Contract Negotiation and
Bond Estimate Criteria

Dear Mr. Blubaugh:

Please find the enclosed forms which I mentioned in our conversation on the phone the morning of September 13, 1982. They are in the "draft" status and should not be regarded as complete yet. However, combined with a recent Division letter issued to all operators last week, they should provide Atlas with the level of detail for which we are requesting all companies become responsible.

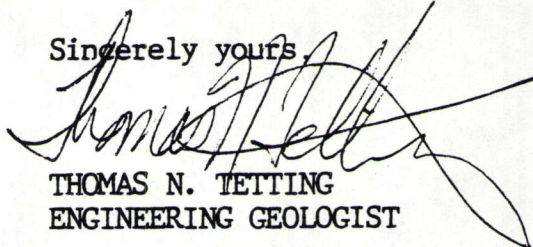
The nature and detail of the needed information will not change drastically, although the theory of the separate categorization (aesthetic vs. critical) has not yet been cast in concrete. Therefore, I thought it best to acquaint you with the Division's new approach to allow you to develop scheduling for submitting the information. I realize the extent of the project and the unexpected arrival of this approach but hope that we may assist each other in finalizing the process which is really almost five years old.

An item which I had neglected to mention in our conversation was that the Division staff will finalize its recommended bonding policy before the end of 1982 when it will be put before the Board. I would hope that by that time we will have worked together on the details of bonding for all existing Atlas Minerals' mines and would be ready to implement the selected policy at that time. Again, let me state that the site specific details of reclamation cost estimates will be necessary to have at hand regardless of the outcome of the final policy decision concerning use of the percentage-weighted potential for self-bonding.

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If I may assist you in any fashion regarding clarification of this issue,
please call on me.

Sincerely yours



THOMAS N. TETTING
ENGINEERING GEOLOGIST

TNT/tck
enclosure

cc: Jim Smith, DOGM
James Holtcamp, VanCott Bagley (with enclosure)